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**Before the
FEDERAL COMMUNICATIONS COMMISSION**
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Amendment of the Commission's Rules to
Establish a Single AM Radio Stereophonic
Transmitting Equipment Standard.

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) ET Docket No. 92-298
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COMMENTS OF BROADCAST ELECTRONICS, INC.

Broadcast Electronics, Inc. ("BE"), by its undersigned counsel, hereby submits these comments in support of the Commission's Notice of Proposed Rulemaking^{1/} to adopt the Motorola C-Quam system as the standard for stereophonic AM broadcast radio service.

I. INTRODUCTION

BE is the second largest manufacturer of radio broadcasting equipment in the U.S. with approximately 135 employees in Quincy, Illinois. BE serves the radio broadcast station market worldwide with the largest variety of manufactured products for radio broadcast stations. In recent years, BE has developed a line of low power solid state and higher power single tube FM broadcast transmitters with power output from 100 watts to 70 KW, solid state AM stereo transmitters, digital audio storage products, digital program automation controllers, and new linear audio mixing consoles. BE also manufactures technologically

^{1/} Notice of Proposed Rulemaking, ("Notice") ET Docket 92-298 (released January 6, 1993).

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advanced transmitter products including the AM solid-state transmitter line featuring integrated the Motorola C-Quam AM Stereo system which has become the world standard for AM stereo transmission. As a leading manufacturer of AM broadcast stereo equipment, BE has a keen interest in the establishment of a single standard for stereophonic AM broadcast radio service. BE concurs with the Commission that adoption of the Motorola C-Quam system as the standard for stereo AM broadcast radio service best serves the public interest.

II. THE NOTICE

The Commission solicits comment on its proposal to establish the Motorola C-Quam system as the standard for stereophonic AM broadcast service.^{2/} The Commission reasons that since over 90% AM broadcast stations either use the Motorola C-Quam system or a Motorola C-Quam compatible system for their AM transmissions, and approximately 24 million Motorola C-Quam receivers are currently in use by radio listeners, establishing the Motorola C-Quam system as the single U.S. standard would serve the public interest. The Commission states that adoption of this standard will eliminate the uncertainty with regard to the AM technology broadcasters should employ, promote expansion of AM stereo transmitting equipment and improve the quality of AM radio service.^{3/}

^{2/} The *Telecommunications Authorization Act of 1992*, (Pub. L. No. 102-538) requires the Commission to adopt a single AM radio stereophonic transmitting equipment standard that specifies the composition of the transmitted stereophonic signal.

^{3/} See Notice at ¶ 5.

III. ADOPTION OF THE MOTOROLA C-QUAM SYSTEM AS THE AM STEREO STANDARD IS IN THE PUBLIC INTEREST

BE lauds the Commission's decision to establish a single standard for AM stereo and enthusiastically endorses the Commission's selection of the Motorola C-Quam system as the standard for AM stereo broadcasting. BE believes that selection of the Motorola C-Quam system as the standard for AM stereo will serve the interests of AM broadcasters, broadcast equipment manufacturers and the listening public.

Over 10 years ago, the Commission deferred to the market to select a standard from among the available AM transmission systems^{4/} and determine the course of AM stereo development. Since that time, the market, as reflected by the 90% market share of the Motorola C-Quam system in the AM broadcast industry, has established the Motorola C-Quam system as the de facto standard for AM stereo. Consequently, selection of the Motorola C-Quam system as the AM stereo standard ratifies the market selection process. Given the AM broadcast industry's extensive investment in the Motorola C-Quam system, BE submits that adoption of the Motorola C-Quam system will safeguard the extensive investments of the majority of AM broadcasters and assure that the listening public continues to have a wide selection of AM radio service providers. In contrast, selection of an alternative transmission system that would require most AM broadcasters to purchase new equipment could drive some financially unstable broadcasters of the airwaves.

^{4/} In 1982, AM stereo systems were manufactured by five companies: Belor Electronics Corp., Harris Corporation, Kahn Communications, Inc./Hazeltine Corporation, Magnavox Corporation and Motorola Corporation.

Moreover, BE believes that adoption of the Motorola C-Quam system will improve the quality of AM radio service. At present, FCC type accepted C-Quam AM stereo transmitters are priced at the same level as monaural transmitters. Adoption of the Motorola C-Quam system as the standard will eliminate AM broadcaster uncertainty with regard to the Motorola C-Quam system and encourage monaural AM stations to convert to stereo AM service thereby improving the quality of AM radio service.

Broadcast equipment manufacturer interests are also well served by adoption of the Motorola C-Quam standard. As recognized by the Commission, several other countries including Canada and Mexico, have adopted the Motorola C-Quam system as the AM stereo standard. Consequently, adoption of the Motorola C-Quam system as the AM stereo standard will allow U.S. manufacturers to achieve economies of scale in producing AM transmitters that can be marketed in foreign countries. A residual benefit of these economies of scale will of course accrue to AM broadcasters who will enjoy reduced equipment prices.

IV. ALL AM BROADCASTERS SHOULD BE REQUIRED TO COMPLY WITH


with the Motorola C-Quam system. There are reports that C-Quam monitoring equipment cannot properly decode the Harris system signal and that consumer C-Quam receivers have higher audio distortion with the Harris system. Given these reported difficulties and the relatively small number (less than 10 % of all AM broadcasters) of broadcasters that would be required to purchase new equipment, BE believes that the public interest is best served by mandating compliance with the new standard. Further, BE believes that the one year grace period to convert to the Motorola C-Quam system proposed by the Commission is reasonable and should provide AM broadcasters sufficient time to arrange for financing new equipment purchases.

IV. CONCLUSION

For the foregoing reasons, BE urges the Commission to adopt its proposal and expeditiously adopt the Motorola C-Quam system as the U.S. AM stereo standard.

Respectfully submitted,

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